Special Purpose Financial Statements

Designit Spain Digital S.L.U.

31 March 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Designit Spain Digital S.L.U.**

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **Designit Spain Digital S.L.U.**("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Special Purpose Financial Statements"). As explained in Note 2 to the Special Purpose Financial Statements, these include limited information and have been prepared for inclusion in the annual report of the Ultimate Holding Company Wipro Limited under the requirements of section 129 (3) of the Companies Act 2013, in compliance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the basis of preparation referred to in Note 2 to the Special Purpose Financial Statements, of the state of affairs of the Company as at 31 March 2023, its loss, total comprehensive loss, its changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the special purpose financial statements.

Management's Responsibilities for the Special Purpose Financial Statements

The Company's Board of Directors are responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the basis described in Note 2 of the special purpose financial statement. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Company's Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the company has adequate internal financial controls with reference to the special purpose financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. As a result, the special purpose financial statements may not be suitable for another purpose.

Restriction on Use and distribution

The report is issued to the Board of Directors of the Company solely for the above purpose and should not be distributed to or used by any other parties.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

S/d

Seethalakshmi M
Partner
Membership No.: 208545

Bengaluru
23 May 2023

Designit Spain Digital S.L.U.
Special Purpose Balance Sheet as at 31 March 2023
(Amount in euros, unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	110,934	164,515
Right of use asset	5	723,415	421,283
Financial assets			
Other financial assets	6	30,000	28,000
Total non-current assets		**864,349**	**613,798**
Current assets			
Financial assets			
Trade receivables	7	2,989,883	1,010,150
Unbilled receivables		50,737	-
Other financial assets	6	-	-
Cash and cash equivalents	8	355,332	185,051
Contract assets		-	40,020
Other current assets	9	6,024	6,953
Total current assets		**3,401,976**	**1,242,174**
TOTAL ASSETS		**4,266,325**	**1,855,972**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	3,051	3,051
Other equity	11	177,284	151,742
Total equity		**180,335**	**154,793**
Non-current liabilities			
Financial liabilities			
Lease liabilities	27	577,133	266,212
Total non-current liabilities		**577,133**	**266,212**
Current liabilities			
Financial labilities			
Short term borrowings	12	1,664,501	334,513
Trade payables	13	1,129,612	394,152
Unearned revenue		103,842	-
Lease liabilities	27	162,639	173,547
Other financial liabilities	14	52,427	101,836
Other current liabilities	15	335,758	403,138
Provisions	16	60,078	27,781
Total current liabilities		**3,508,857**	**1,434,967**
TOTAL EQUITY AND LIABILITIES		**4,266,325**	**1,855,972**
Summary of significant accounting policies	**1-3**		

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board of
Designit Spain Digital S.L.U.

S/d
Diego Nuñez Fernández
Administrator

23 May 2023
Madrid, Spain

Designit Spain Digital S.L.U.

Special Purpose Statement of Profit and Loss for the year ended 31 March 2023

(Amount in euros, unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	17	4,938,639	3,809,624
Other income	18	1,685,238	1,557,758
Total income		**6,623,877**	**5,367,382**
EXPENSES			
Employee benefits expense	19	5,738,671	4,357,793
Finance costs	20	74,412	37,958
Depreciation expense	21	241,576	228,619
Other expenses	22	1,343,676	3,233,469
Total expenses		**7,398,335**	**7,857,839**
Profit / (loss) before tax		(774,458)	(2,490,457)
Tax expenses	24		
Current tax		-	-
Deferred tax		-	99,328
Total tax expenses		-	99,328
Profit / (loss)for the year		**(774,458)**	**(2,589,785)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit /(loss)or loss		-	-
Items that will be reclassified to profit /(loss)or loss		-	-
Total other comprehensive income / (loss) for the year, net of taxes		**(774,458)**	**(2,589,785)**
Earnings per share			
Basic and diluted	23	(254)	(849)
Face value per equity share		1	1

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
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Firm's Registration No.: 003990S/S 200018

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board
Designit Spain Digital S.L.U.

S/d
Diego Nuñez Fernández

23 May 2023
Madrid, Spain

Designit Spain Digital S.L.U.
Special Purpose Statement of Changes in Equity for the year ended 31 March 2023

A. Equity share capital

	Note	Balance
As at 1 April 2021	10	3,051
Changes in equity share capital		-
As at 31 March 2022	10	3,051
Changes in equity share capital		-
As at 31 March 2023	10	3,051

B. Other equity

	Other equity		
	Debt conversion to equity	**Retained earnings**	**Total other equity**
As at 1 April 2021	2,000,000	(958,473)	1,041,527
Debt conversion	1,700,000	-	1,700,000
Profit/(loss) for the year	-	(2,589,785)	(2,589,785)
As at 31 March 2022	**3,700,000**	**(3,548,258)**	**151,742**
Debt conversion	800,000	**-**	800,000
Profit/(loss) for the year	-	(774,458)	(774,458)
As at 31 March 2023	**4,500,000**	**(4,322,716)**	**177,284**

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board
Designit Spain Digital S.L.U.

S/d
Diego Nuñez Fernández
-
23 May 2023
Madrid, Spain

Designit Spain Digital S.L.U.
Special Purpose Cash Flow Statement for the year ended 31 March 2023
(Amount in euros, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Profit/(loss) for the year	(774,458)	(2,589,785)
Adjustments for:		
Depreciation expenses	241,576	228,619
Finance costs on borrowings	74,412	37,958
Exchange differences, net	(1,534)	1,100
Profit on sale of property, plant and equipment	(1,874)	(13,104)
Others	-	98,514
	312,580	353,087
Operating profit/(loss) before working capital changes	(461,878)	(2,236,698)
Movements in working capital:		
Trade receivables	(1,979,733)	1,094,760
Unbilled receivables and contract assets	(10,717)	135,273
Other assets	463	49,972
Trade payables, other liabilities and provisions	624,798	496,046
Cash generated in operations	**(1,365,189)**	**1,776,051**
Direct tax paid	-	-
Net cash from operating activities	**(1,827,067)**	**(460,647)**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(13,715)	(67,083)
Proceeds from property, plant and equipment	1,044	-
Profit on sale of property, plant and equipment	1,874	16,304
Net cash (used in) from investing activities	**(10,797)**	**(50,779)**
C. Cash flow from financing activities		
Procceds from borrowings	2,260,000	680,000
Interest paid	(74,412)	(37,958)
Payments of lease liability	(177,442)	(167,488)
Net cash generated from/(used in) financing activities	**2,008,146**	**474,554**
Net increase in cash and cash equivalents (A+B+C)	170,282	(36,872)
Cash and cash equivalents at the beginning of the year	185,050	221,923
Cash and cash equivalents at the end of the year	**355,332**	**185,051**
Components of cash and cash equivalents		
Balance with banks in current accounts	355,332	185,051
	355,332	**185,051**

The accompanying notes form an integral part of the special purpose financial statements

This is the Cash Flow Statement referred to in our report of even date.

For PKF Sridhar & Santhanam LLP
Firm's Registration No.: 003990S/S 200018
Chartered Accountants

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board of
Designit Spain Digital S.L.U.

S/d
Diego Nuñez Fernández
Administrator

23 May 2023
Madrid, Spain

1. (a) The Company overview

Design Spain S.L.U. is a subsidiary of Designit A/S ('the holding company'). The Company is incorporated in Spain and is engaged in design services. The functional Currency of the company is EUR and the reporting currency for these financial statements is EUR. These financial statements have been prepared and audited to attach with the accounts of the holding company, to comply with the provisions of Indian Companies Act, 2013.

(b) Operational outlook

The Company has incurred net loss of EUR 774 thousand for the year ended 31 March 2023 and has accumulated loss amounting EUR 4,323 thousand as on 31 March 2023. The financial statement has been prepared on the assumption that the Company will continue as a going concern, based on the continuing financial support by the shareholders / investors. Further, the Company and its holding Company has adequate liquid assets to support the operation of the Company for next year. Accordingly, the Company will be able to realise its assets and discharge its liabilities as recorded in these financial statements in the normal course of business.

2. Statement of compliance and basis of preparation

This special purpose financial statement is prepared for inclusion in the annual report of the Ultimate Holding Company (Wipro limited) under the requirements of section 129(3) of the Companies Act, 2013.

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(i) New amended standards and interpretations

Amendments to Ind AS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be the incremental costs of fulfilling that contract (for example, direct labour and materials); or an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others).

Amendments to Ind AS 103 – Business Combinations – Reference to Conceptual Framework

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 did not have any material impact on the interim condensed consolidated financial statements.

Amendments to Ind AS 109 – Financial Instruments

The amendments clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The adoption of amendments to Ind AS 109 did not have any material impact on the interim condensed consolidated financial statements.

Amendments to Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 did not have any material impact on the interim condensed consolidated financial statements.

None of the amendments has any material impact on the financial statements for the current year.

New amendments not yet adopted-
Amendments to Ind AS 12 – Income Taxes
On March 31, 2023, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from April 1, 2023. The amendments to Ind AS 12 clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that this exemption does not apply to transactions such as leases and decommissioning obligations and companies are required to recognize deferred tax on such transactions. The adoption of amendments to Ind AS 12 is not expected to have any material impact in the interim condensed consolidated financial statements.

None of the amendments has any material impact on the financial statements for the current year.

Basis of preparation
These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.;

- Certain financial assets and Liabilities that are measured at fair value;
- Defined benefits plan – Plan assets measured at fair value

The financial statements are presented in EURO (EUR), being the functional and presentation currency, being the currency of the primary economic environment in which the company operates.

(ii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed in line with the Company's accounting policies. For this analysis, the Company

verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.
For fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

- An asset as current when it is:
  - Expected to be realized within twelve months after the reporting period, or within the normal operating cycle of the company.
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
  - It is expected to be settled in normal operating cycle.
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

a) Revenue recognition: The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

b) Income taxes: The tax jurisdiction for the Company is Spain. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

c) Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

d) Expected credit losses on financial assets: On application of Ind AS109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Significant accounting policies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which this entity operates (i.e. the "functional currency"). The functional currency of the company is EUR and these financial statements are also presented in EUR

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges. Gains/(losses) relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as FVTOCI are included in other comprehensive income, net of taxes.

(iii) Financial instruments

a) Non-derivative financial instruments:
Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

<u>A. Cash and cash equivalents</u>
The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.
For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the Balance Sheet, bank overdrafts are presented under borrowings within current liabilities.

<u>B. Other financial assets:</u>
Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

C. Trade and other payables
Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(iv) Equity and share capital

a) Share capital and share premium
The authorized share capital of the Company as of March 31, 2023 and March 31, 2022 is 3051 Equity shares of 1 EUR per share. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.
Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

b) Retained earnings
Retained earnings comprises of the Company's undistributed earnings after taxes.

(v) Property, plant and equipment
a) Recognition and measurement
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

b) Depreciation
The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	**Useful life**
Buildings	Useful life or lease term whichever is lower
Furniture, fixtures and equipment	3 to 10 years
Office equipment.	2 to 7 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use before each reporting date are disclosed under capital work- in-progress. Deposits & advances paid towards acquisition of fixed assets, outstanding at each balance sheet date are shown as capital advances under the head of other non-current assets.

(vi) Leases
The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee
The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,
b) obtain substantially all the economic benefits from use of the identified asset, and
c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.
The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an ROU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.
After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.
The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Company as a lessor
Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.
For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

(vii) Impairment
Non - financial assets
The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost to sell (FVLCTS) and its value-in-use (VIU). If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(viii) Employee benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Termination benefits

Termination benefits are expensed when the Company can no longer withdraw the offer of those benefits.

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ix) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(x) Revenue

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

a) Services

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and materials contracts

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

B. Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

C. Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.
In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

(xi) Finance costs
Finance Costs comprise interest cost on borrowings, impairment losses recognized on financial assets, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

(xii) Other income
Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of financial assets that are measured at FVTPL, and debt instruments classified as FVTOCI. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(xiii) Income tax
Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

a) Current income tax
Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b) Deferred income tax
Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.
Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.
Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(xiv) Earnings per share
Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

(xv) Cash flow statement
Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

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4 Property, plant and equipment

Particulars	Buildings	Furniture and fixtures	Vehicles	Office equipments	Tablets and Cell phones	Total
Gross block						
As at 1 April 2021	102,789	93,624	16,645	99,316	-	312,374
Additions	2,597	1,501	-	54,988	7,997	67,083
Disposals	-	-	16,645	25,126	465	42,236
As at 31 March 2022	**105,386**	**95,125**	**-**	**129,178**	**7,532**	**337,221**
Additions	1,730	-	-	11,409	1,825	14,964
Disposals	-	-	-	19,715	772	20,487
As at 31 March 2023	**107,116**	**95,125**	**-**	**120,872**	**8,585**	**331,698**
Accumulated depreciation						
As at 1 April 2021	21,758	49,085	14,148	66,646	-	151,637
Depreciation charge for the year	14,949	16,105	-	28,615	437	60,106
Disposals	-	-	14,148	24,889	-	39,037
As at 31 March 2022	**36,707**	**65,190**	-	**70,372**	**437**	**172,706**
Depreciation charge for the year	15,169	12,616	-	34,319	5,192	67,296
Disposals	-	-	-	19,089	150	19,238
As at 31 March 2023	**51,876**	**77,806**	**-**	**85,602**	**5,479**	**220,764**
Net block						
As at 31 March 2023	**55,240**	**17,319**	**-**	**35,270**	**3,106**	**110,934**
As at 31 March 2022	**68,679**	**29,935**	**-**	**58,806**	**7,095**	**164,515**

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5 Right of use assets:

Particulars	Building	Total
Gross block at cost		
At 1 April 2021	842,566	842,566
Additions	-	-
Disposals	-	-
As at 31 March 2022	**842,566**	**842,566**
Additions	841,523	841,523
Disposals	842,566	842,566
As at 31 March 2023	**841,523**	**841,523**
Accumulated depreciation		
At 1 April 2021	252,770	252,770
Charge for the year	168,513	168,513
Disposals	-	-
As at 31 March 2022	**421,283**	**421,283**
Charge for the year	174,280	174,280
Disposals	477,455	477,455
As at 31 March 2023	**118,108**	**118,108**
Net block		
As at 31 March 2023	723,415	723,415
As at 31 March 2022	421,283	421,283

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6 Other financial assets

	As at 31 March 2023	As at 31 March 2022
Non current		
Security deposits	30,000	28,000
	30,000	28,000

7 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured		
Considered good	545,318	227,725
Related parties*	2,452,425	782,425
Credit impaired	-	-
	2,997,743	**1,010,150**
Less: allowance for credit impaired	7,860	-
	2,989,883	**1,010,150**

The activity in the allowance for expected credit loss is given below:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	-	102,335
Additions during the year	7,860	-
Charged against allowance	-	(102,335)
Balance at the end of the year	7,860	-

*Refer related party note 26 and refer note 25 for ageing schedule.

8 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with bank in current accounts	355,332	185,051
	355,332	**185,051**

9 Other assets

	As at 31 March 2023	As at 31 March 2022
Current		
Prepaid expenses	6,024	6,953
	6,024	**6,953**

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10 Share capital

	As at 31 March 2023	As at 31 March 2022
Authorised capital		
3051 Equity Shares (Par Value of Euro 1 per share)	3,051	3,051
	3,051	**3,051**
Issued, subscribed and paid up capital		
3051 Equity Shares (Par Value of Euro 1 per share)	3,051	3,051
	3,051	**3,051**

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the year	3,051	3,051	3,051	3,051
Add :Issued during the year.	-	-	-	-
Balance at the end of the year	**3,051**	**3,051**	**3,051**	**3,051**

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Euro 1 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Euro. The final dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2023		As at 31 March 2022	
	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares
Equity shares of EUR 1 each fully paid-up				
Designit A/S	100%	3,051	100%	3,051

d) There has been no issue of shares for consideration other than cash during the 5 years preceding 31 March 2023

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		As at 31 March 2023	As at 31 March 2022
11	**Other equity**		
	a) Statement of profit and loss account		
	Balance at the beginning of the year	(3,548,258)	(958,473)
	Add: Net profit/(loss) for the year	(774,458)	(2,589,785)
	Balance at the end of the year	**(4,322,716)**	**(3,548,258)**
	b) Debt conversion to capital		
	Balance at the beginning of the year	3,700,000	2,000,000
	Add: Debt conversion during the year	800,000	1,700,000
	Balance at the end of the year	4,500,000	3,700,000
	Total (a+b)	**177,284**	**151,742**

Nature and purpose of reserves:

Debt conversion to capital :These amounts represent loans from holding company which have been converted to equity.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

12 Borrowings

	As at 31 March 2023	As at 31 March 2022
Short-term borrowings		
From related party (Secured)	1,664,501	334,513
	1,664,501	**334,513**

It carries an interest rate of 3.02% repayable after the expiry of one year from disbursement.

13 Trade payables

	As at 31 March 2023	As at 31 March 2022
Vendor payables	123,627	97,640
Related parties*	1,005,985	296,512
	1,129,612	**394,152**

* Refer related party note 26 and refer note 25 for ageing schedule.

14 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Interest accrued and due*	18,676	-
Employee related liabilities	33,751	101,836
	52,427	**101,836**

15 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	335,758	403,138
	335,758	**403,138**

16 Provisions

	As at 31 March 2023	As at 31 March 2022
Current provisions		
Provision for employee benefits		
Compensated absences	60,078	27,781
	60,078	**27,781**

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17 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of services	4,938,639	3,809,624
Total	**4,938,639**	**3,809,624**
Revenue by type of contract		
Fixed price and volume based	4,938,639	3,809,624
	4,938,639	**3,809,624**

18 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Intercompany cost recharge	1,664,687	1,544,654
Gain on sale of right of use assets	17,143	-
Profit on sale of assets	1,874	13,104
Exchange rate fluctuation	1,534	-
	1,685,238	**1,557,758**

19 Employee benefits expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and bonus	5,561,126	4,238,954
Compensated absences	32,297	27,781
Staff welfare expenses	145,248	91,058
	5,738,671	**4,357,793**

20 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense	53,671	28,445
Interest on finance lease	20,741	9,513
	74,412	**37,958**

21 Depreciation

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property plant and equipment	67,296	60,106
Depreciation on right to use assets	174,280	168,513
	241,576	**228,619**

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22 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Sub-contracting / technical fees / third party application*	322,023	648,376
Travel	182,488	173,501
Facility expenses	16,793	22,494
Communication	113,059	73,453
Legal and professional charges	69,413	77,058
Marketing and brand building	47,008	16,608
Exchange rate fluctuation	-	1,100
Intercompany corporate overheads	569,126	519,786
Power and fuel	14,908	-
Life time expected credit loss/ write-back	7,860	(814)
Others	998	1,701,907
	1,343,676	**3,233,469**

Refer related party note 26

23 Earnings per share (EPS)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit/(loss) for the year	(774,458)	(2,589,785)
Weighted average number of shares	3,051	3,051
Earnings per share		
Basic and diluted	(253.84)	(848.83)
Nominal value - per equity share	1	1

24 Income tax

Income tax expense has been allocated as follows:	Year ended 31 March 2023	Year ended 31 March 2022
Income tax expense		
Domestic		
Current taxes	-	-
Deferred taxes	-	99,328
Total income taxes	**-**	**99,328**

	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(loss) before tax	(774,458)	(2,490,457)
Enacted income tax rate	0%	0%
Computed expected tax expense	-	-
Effect of:		
Tax effect on timing differences	-	-
Changes in unrecognised deferred tax asset	-	99,328
Total income taxes expenses	**-**	**99,328**

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25 Trade receivables and trade payables ageing schedule

Trade receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	**Less than 6 months**	**6 months - 1 year**	**1- 2 years**	**2- 3 years**	**More than 3 years**	**Total**
(i) Undisputed – considered good	-	2,989,883	-	-	-	-	2,989,883
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-	-	-
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	-	-
Total	**-**	**2,989,883**	**-**	**-**	**-**	**-**	**2,989,883**
Less : Allowance for credit impaired	-	-	-	-	-	-	-
Net Trade Receivables	**-**	**2,989,883**	**-**	**-**	**-**	**-**	**2,989,883**

Trade receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled dues	**Less than 6 months**	**6 months - 1 year**	**1- 2 years**	**2- 3 years**	**More than 3 years**	**Total**
(i) Undisputed – considered good	-	1,010,150	-	-	-	-	1,010,150
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	-	-	-
(iv) Disputed –considered good	-	-	-	-	-	-	-
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	-	-
Total	**-**	**1,010,150**	**-**	**-**	**-**	**-**	**1,010,150**
Less : Allowance for credit impaired	-	-	-	-	-	-	-
Net	**-**	**1,010,150**	**-**	**-**	**-**	**-**	**1,010,150**

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25 Trade Payables ageing schedule as at 31 March 2023

	Outstanding for following periods from due date of payment					
	Unbilled and not due	**Less than 1 year**	**1-2 years**	**2- 3 years**	**More than 3 years**	**Total**
(i) Trade Payables - MSME	-	-	-	-	-	-
(ii) Trade Payables - Others	744,500	385,112	-	-	-	1,129,612
(iii) Accrued Expenses	-	-	-	-	-	-
(iv) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**744,500**	**385,112**	**-**	**-**	**-**	**1,129,612**

Trade Payables ageing schedule
As at 31 March 2022

	Outstanding for following periods from due date of payment					
Particulars	**Unbilled and not due**	**Less than 1 year**	**1-2 years**	**2- 3 years**	**More than 3 years**	**Total**
(i) Trade Payables - MSME	-	-	-	-	-	-
(ii) Trade Payables - Others	180,572	161,716	38,698	-	-	380,986
(iii) Accrued Expenses	13,171	-	-	-	-	13,171
(iv) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**193,743**	**161,716**	**38,698**	**-**	**-**	**394,157**

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26 A. Names of related parties and nature of relationship

Nature of relationship	Name of the related party	Country of incorporation
Ultimate Holding Company	Wipro Limited	India
Holding Company	Designit A/S	Denmark
Fellow Subsidiaries	Designit Sweden AB	Sweden
	Designit Tokyo	Japan
	Designit North America Inc.	USA
	Capco Consultancy (Thailand) Limited	Thailand
	The Capital Markets Company S.A.S	Spain
	Designit Denmark A/S	Denmark
	Designit A/S (Australia & New Zealand)	Australia
	Designit Germany GmbH	Germany
	Designit TLV Ltd	Israel
	Designit A/S (Dubai AS)	Dubai
Key managerial personnel	Nic Parmaksizian	
	Rishabh Khemka	
	Diego Nuñez Fernández	

B. Transactions with related parties for the year ended 31 March 2023

Particulars	Relationship*	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations			
Designit Tokyo Co., Ltd.	Fellow subsidiary	-	11,284
Wipro Limited (India)	Ultimate holding company	343,379	358,832
Designit Denmark A/S Branch in London	Fellow subsidiary	211,741	402,105
Designit Oslo AS	Fellow subsidiary	68,502	9,594
Designit Germany GmbH	Fellow subsidiary	325,872	234,607
Designit A/S	Holding Company	-	2,746
Designit North America Inc.	Fellow subsidiary	55,816	8,846
The Capital Markets Company S.A.S	Fellow subsidiary	1,958,200	634,305
Wipro Limited (UK)	Fellow subsidiary	-	9,452
Wipro 4C Denmark ApS	Fellow subsidiary	-	8,100
Wipro Technologies GMBH	Fellow subsidiary	2,478	-
Designit TLV	Fellow subsidiary	23,989	-
Designit Denmark A/S	Fellow subsidiary	5,747	-
Capco Consultancy (Thailand) Limited	Fellow subsidiary	447,414	-
Subcontracting, technical fees and intercompany recharge (net)			
Designit North America Inc.	Fellow subsidiary	(106,196)	-
Designit A/S	Holding company	181,028	(910,214)
Designit TLV Ltd	Fellow subsidiary	(144,130)	-
Designit Oslo AS	Fellow subsidiary	(260,324)	(32)
Wipro Limited	Ultimate holding company	15,367	
Designit Denmark A/S	Fellow subsidiary	(143,151)	(114,623)
Designit Germany GmbH	Fellow subsidiary	(115,927)	-
Designit Tokyo Co., Ltd.	Fellow subsidiary	(14,903)	-
Designit Sweden AB	Fellow subsidiary	(130,011)	-
Designit A/S (Australia & New Zealand)	Fellow subsidiary	(42,035)	-
Designit Denmark A/S Branch in London	Fellow subsidiary	(169,025)	-
The Capital Markets Company S.A.S	Fellow subsidiary	39,164	-
Capco Consultancy (Thailand) Limited	Fellow subsidiary	8,948	-
Interest expense			
Designit A/S	Holding Company	54,539	22,964

*Related parties with whom transactions have taken place during the year.

C. Closing balance of related parties

Name of the Company	Nature	As on 31 March 2023	As on 31 March 2022
Payables:			
Designit A/S	Fellow subsidiary	473,810	158,233
Designit North America Inc.	Fellow subsidiary	1,486	11,741
Wipro Limited (India)	Ultimate holding company	144,078	126,538
Designit Denmark A/S Branch in London	Fellow subsidiary	263,895	-
Designit Germany GmbH	Fellow subsidiary	89,793	-
Designit Oslo AS	Fellow subsidiary	2,582	-
Designit TLV	Fellow subsidiary	30,342	-
Receivables:			
Designit Denmark A/S	Fellow subsidiary	144,346	-
Designit Tokyo Co., Ltd.	Fellow subsidiary	14,903	-
Designit North America Inc.	Fellow subsidiary	107,682	-
Designit Denmark A/S Branch in London	Fellow subsidiary	589,044	45,554
Designit Germany GmbH	Fellow subsidiary	290,035	24,510
Designit TLV	Fellow subsidiary	216,765	-
Designit A/S (Australia & New Zealand)	Fellow subsidiary	42,035	-
Designit Oslo AS	Fellow subsidiary	262,761	860
The Capital Markets Company S.A.S	Fellow subsidiary	346,388	621,619
Capco Consultancy (Thailand) Limited	Fellow subsidiary	438,465	-
Wipro 4C Denmark	Fellow subsidiary	-	8,100
Wipro Limited (India)	Fellow subsidiary	-	81,782
Borrowing payable			
Designit A/S	Holding company	1,664,501	334,513

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27 **IND AS 116 leases related disclosures**

i) Total lease liabilities are analysed as follows:

	As at 31 March 2023	**As at 31 March 2022**
Denominated in the following currencies:		
EUR	739,772	439,759
Total	**739,772**	**439,759**
Analysed as:		
Current	162,639	173,547
Non current	577,133	266,212
	739,772	**439,759**

ii) Amounts recognised in statement of profit and loss:

The following amounts were recognised as expense in the year:

	As at 31 March 2023	**As at 31 March 2022**
Depreciation of right-of-use assets	174,280	168,513
Interest on lease liabilities	20,741	9,513
Total recognised in the statement of profit and loss	**195,021**	178,026

iii) Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Maturity analysis:	**As at 31 March 2023**	**As at 31 March 2022**
Less than 1 year	185,500	173547
Between 1 and 2 years	191,500	176680
Between 2 and 5 years	418,000	89532
More than 5 years	-	-
Total	**795,000**	**439,759**

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(Amount in euros, unless otherwise stated)

28 Financial instruments measurement and disclosure

a) Financial instruments by category

Particulars	As at 31 March 2023			
	FVTOCI	FVTPL	Amortised cost	Total
Financial assets:				
Trade receivables	-	-	2,989,883	2,989,883
Cash and cash equivalents	-	-	355,332	355,332
Unbilled revenue	-	-	50,737	50,737
Other financial assets	-	-	30,000	30,000
Total	**-**	**-**	**3,425,952**	**3,425,952**
Financial liabilities:				
Borrowings	-	-	1,664,501	1,664,501
Lease liabilities	-	-	739,772	739,772
Trade payables	-	-	1,129,612	1,129,612
Other financial liabilities	-	-	52,427	52,427
Total	**-**	**-**	**3,586,312**	**3,586,312**

Particulars	As at 31 March 2022			
	FVTOCI	FVTPL	Amortised cost	Total
Financial assets:				
Trade receivables	-	-	1,010,150	1,010,150
Cash and cash equivalents	-	-	185,051	185,051
Unbilled revenue	-	-	-	-
Other financial assets	-	-	28,000	28,000
Total	**-**	**-**	**1,223,201**	**1,223,201**
Financial liabilities:				
Borrowings	-	-	334,513	334,513
Lease liabilities	-	-	439,759	439,759
Trade payables	-	-	394,152	394,152
Other financial liabilities	-	-	101,836	101,836
Total	**-**	**-**	**1,270,260**	**1,270,260**

The fair values of assets and liabilities approximates its carrying value.
The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, other financials assets, borrowings etc. because their carrying amounts are a reasonable approximation of fair value.

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29 Financial risk management

Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	**Exposure arising from**	**Measurement**
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk -Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

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29 Financial risk management (continued)

B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Borrowings	1,664,501	-	-	-	1,664,501
Lease liabilities	185,500	191,500	418,000		795,000
Trade payables	1,129,612	-	-	-	1,129,612
Other Financial liabilities	52,427	-	-	-	52,427
Total	**3,032,040**	**191,500**	**418,000**	**-**	**3,641,540**

31 March 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Beyond 5th year	Total
Non-derivatives					
Borrowings	334,513	-	-	-	334,513
Lease laities	173,547	176,680	89,532	-	439,759
Trade payables	394,152	-	-	-	394,152
Other Financial liabilities	101,836	-	-	-	101,836
Total	**1,004,048**	**176,680**	**89,532**	**-**	**1,270,260**

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. Financial instruments affected by market risk include trade and other receivables/ payables. The Company is exposed to foreign currency risk, interest rate risk and certain other price risk, which are a result from both its operating and investing activities.

D Interest rate risk

The Company has no borrowings as at 31 March, 2023. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

E Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from EUR, CAD, GBP. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The management evaluates rate exposure arising from these transactions and enters into Foreign currency derivative instruments to mitigate such exposure. The company follows risk management policies, including use of derivatives like foreign currency exchange forward options etc.

30 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investments.

	As at 31 March 2023	As at 31 March 2022
Non current borrowings	-	-
Short term borrowings	1,664,501	334,513
	1,664,501	**334,513**
Less: cash and cash equivalents	355,332	185,051
Less: bank balances other than cash and cash equivalents	**-**	-
Net debts (a)	**1,309,169**	**149,462**
Total equity (b)	**180,335**	**154,793**
Gearing ratio (a/b)	**7.26**	**0.97**

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30 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these financial statements.

31 Previous Year figures have been regrouped/ rearranged wherever necessary to confirm to the current year classification
year classification

As per our report of even date atatched
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.: 003990S/S 200018

S/d
Seethalakshmi M
Partner
Membership No.: 208545
23 May 2023
Bengaluru

For and on behalf of the Board of
Designit Spain Digital S.L.U.

S/d
Diego Nuñez Fernández

23 May 2023
Madrid, Spain